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## OLR Bill Analysis

### sHB 5368

#### ***AN ACT CONCERNING THE MODERNIZATION OF THE STATE'S TAXICAB INDUSTRY.***

#### **SUMMARY:**

This bill makes a number of changes to the laws regulating taxicabs and livery vehicles. For taxis, it:

1. increases the application fee for people seeking a certificate to operate a new taxi company from \$88 to \$2,000, and requires applicants to have at least five taxis;
2. imposes a \$200 annual fee for each certificate;
3. exempts taxis from child safety seat requirements;
4. increases, from biennially to annually, how often taxis must be inspected;
5. requires the Department of Motor Vehicles (DMV) to record, on a taxi driver's motor vehicle record, the imposition of a civil penalty against a driver who violates service issues in his or her control;
6. requires a taxi company to provide at least two years of satisfactory service in its territory before serving passengers at Bradley International Airport; and
7. makes other changes to taxi laws.

It changes laws regarding livery companies by, among other things, requiring livery services that transport people under contract with federal, state, or local agencies to surrender their livery permits when these contracts expire, imposing a \$200 annual permit fee, and prohibiting a livery company from selling or transferring a livery

permit for five years after receiving the permit.

EFFECTIVE DATE: October 1, 2012, except for eliminating the Department of Transportation's ability to allow taxi companies to operate in or out of their territory on an emergency basis, which is effective on passage.

## **CHANGES TO TAXI LAWS**

### ***Certificates of Convenience and Necessity***

By law, people, associations, limited liability companies, and corporations seeking to operate a new taxi company must obtain a Department of Transportation (DOT) certificate that public convenience and necessity require the operation of taxis in a specific territory. The bill increases the application fee for such a certificate from \$88 to \$2,000, and requires new applicants to have at least five taxis.

In deciding whether to issue a certificate, current law requires DOT to consider, among other things, the applicant's criminal and motor vehicle record and financial resources. The bill requires DOT to also consider proof that (1) the applicant has a dispatch system able to simultaneously communicate with all of his or her cabs and (2) service in the requested territory will be available 24 hours a day, seven days a week.

### ***Two-Year Wait to Serve Bradley International Airport***

Current law allows a taxi company to solicit, receive, and discharge passengers at Bradley International Airport, subject to a formal agreement with the transportation commissioner, as long as the agreement does not take precedence over the company's obligation to serve its territory. The bill additionally requires that, before serving Bradley, a company prove to DOT that its service in its territory has been (1) active and adequate and (2) in compliance with all laws and regulations, for two years.

### ***Other Changes***

The bill also:

1. requires DMV to record, on a taxi driver's driver control record, the imposition of a civil penalty against a taxi driver who violates service issues in his or her control (the bill does not define "service issues");
2. exempts taxis from the requirement that people who transport children of certain ages and sizes in motor vehicles use child restraint systems;
3. requires that taxis be inspected annually, rather than biennially, by licensed repairers authorized by DMV (but the bill leaves unchanged the requirement that these inspections occur when a taxi's registration is renewed, which remains biennially) ;
4. requires DOT to issue proposed taxi certificate hearing decisions for review by its regulatory and compliance unit, allows the applicant and any party or intervenor in such an action to reply to the proposed decision, and requires the regulatory and compliance unit to consider the reply;
5. imposes an annual fee of \$200 per certificate and increases the application fee to sell or transfer a taxi company from \$88 to \$200 per certificate; and
6. eliminates DOT's ability to amend a taxi certificate. (But the department may still suspend or revoke a certificate for cause.)

The bill also eliminates laws:

1. allowing DOT, without a hearing, to amend a certificate to increase the number of taxis operated by a certificate holder if no objection is filed within 30 days of the publication of such a request;
2. barring DOT from considering unregistered cabs as a reason to deny a request for additional cabs in a particular territory; and
3. authorizing DOT, in an emergency situation and without a hearing, to give a certificate holder temporary authority to

operate taxi service in or outside the holder's territory for up to 180 days.

### **CHANGES TO LIVERY SERVICE LAWS**

By law, people, associations, limited liability companies, or corporations seeking to operate a livery service must first obtain a DOT permit specifying the nature and extent of the service and certifying that public necessity and convenience will be improved by the service. The bill imposes an annual fee of \$200 per permit.

DOT may issue temporary or permanent livery permits to livery services that transport people under contract with a federal, state, or municipal agency. The bill requires livery companies to surrender these permits when these contracts expire.

As with taxi companies, the bill requires DOT, when deciding whether to grant a livery service permit, to issue a proposed hearing decision that its regulatory and compliance unit must review. The applicant, any party, or an intervenor may reply to the decision and this reply must be considered in the review.

By law, a livery company seeking to sell or transfer a livery permit must pay a \$200 application fee and describe to DOT, in writing, the purpose, terms, and conditions of the transaction. DOT must investigate before approving the sale or transfer. The bill prohibits a livery company from selling or transferring a permit for five years from the time DOT issues it. It requires DOT, before approving the transaction, to find that a buyer or transferee is "sustainable" to operate a livery service after investigating such factors as the buyer or transferee's financial responsibility and its ability to perform the service and obey applicable laws and regulations. It does not define sustainable.

The bill eliminates a law requiring DOT to authorize, if certain conditions are met and without a hearing or notice, two additional vehicles a year to an intrastate permit holder who has held a permit for at least one year.

**COMMITTEE ACTION**

Transportation Committee

Joint Favorable Substitute

Yea 34 Nay 3 (03/14/2012)